

Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00

PA-01 USIA-06 PRS-01 SP-02 AID-05 EB-08 TRSE-00

OMB-01 /042 W

-----010356 230330Z /65

R 220300Z AUG 77

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 8353

USDOC WASHDC

AMEMBASSY MANILA

AMEMBASSY KUALA LUMPUR

AMEMBASSY JAKARTA

AMEMBASSY BANGKOK

AMEMBASSY TOKYO

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USDOC FOR MEPD

E.O. 11652: N/A

TAGS: ECIN, EINV, SN

SUBJ: SINGAPORE'S (ASEAN?) DIESEL PROJECT

1. BEGIN UNCLASSIFIED. BOTH SINGAPORE DAILY NEWSPAPERS HAVE RUN NEARLY IDENTICAL STORIES SAYING THAT SINGAPORE MAY "GO IT ALONE" IN SETTING UP A DIESEL PLANT. MORNING "STRAITS TIMES" QUOTES INFORMED SOURCES AS SAYING GOS WILL DEVELOP ITS OWN NATIONAL DIESEL INDUSTRY IF THE NEXT ASEAN ECONOMIC MINISTERS MEETING IN PATTAYA SEPT. 2 FAILS TO FIND A WAY AROUND INDONESIAN OBJECTIONS TO SINGAPORE'S PROJECT.

2. ACCORDING TO THE ARTICLES, THE MAIN PROBLEM WITH SINGAPORE'S PROJECT IN INDONESIAN EYES IS THE COMPETITION IN THE 200-500 HORSEPOWER

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ENGINE RANGE. INDONESIA WISHES TO PROTECT ITS DIESEL INDUSTRY BY LIMITED COMPETITION FROM SINGAPORE TO ENGINES OF OVER 500 H.P. SINGAPORE SAYS SINCE THAT CONSTITUTES ONLY 20 PERCENT OF THE ASEAN MARKET, THE PROJECT WOULD NOT BE FEASIBLE. THE GOS HAS COUNTERPROPOSED THAT IT LIMIT ITSELF TO ENGINES OF 200 H.P. AND UP, BUT THE INDONESIANS REJECTED THAT

COMPROMISE.

3. BOTH PAPERS SAY ABANDONING THE DIESEL PLANT AS AN ASEAN PROJECT WOULD BE A "MAJOR BLOW" TO ASEAN COOPERATION. THE AFTERNOON "NEW NATION" WAS EXPLICIT, COMMENTING: "THE DROPPING OF SINGAPORE'S ASEAN PROJECT UNDER SUCH CIRCUMSTANCES COULD MAKE IT MORE DIFFICULT FOR UNANIMITY ON THE OTHER JOINT INDUSTRIAL PROJECTS UNDER ACTIVE CONSIDERATION...IF IN PATTAYA SINGAPORE FEELS IT CANNOT ENDORSE A PROJECT THAT IT DOES NOT BELIEVE IS REALLY VIABLE, BECAUSE IT DOES NOT EVEN HAVE AN ASEAN PROJECT OF ITS OWN TO BRING HOME AS A QUID PRO QUO, ALL THE FIRST-LINE JOINT INDUSTRIAL PROJECTS MAY STALL, IN WHICH CASE REGIONAL ECONOMIC COOPERATION WILL BE TAKING A HARD KNOCK." END UNCLASSIFIED.

4. BEGIN LIMITED OFFICIAL USE. EMBASSY COMMENT:
IN VIEW OF SINGAPORE'S ENTHUSIASM FOR THE MARKET POTENTIAL OF DIESEL ENGINES AND THE ADVANCED STAGE OF ITS FEASIBILITY STUDY, ITS THREAT TO PROCEED UNILATERALLY CANNOT BE DISMISSED AS SO MUCH SOUR GRAPES, EVEN THOUGH A DECISION TO REMOVE THIS HIGH-VISIBILITY PROJECT FROM ITS NICHE WITHIN ASEAN WOULD HAVE SERIOUS REPERCUSSIONS. ALTHOUGH THE PHILIPPINES, THAILAND AND SINGAPORE HAVE REPORTEDLY INCLUDED DIESEL ENGINES IN THEIR LIST OF ITEMS ON WHICH TARIFFS WILL BE LOWERED, A NON-ASEAN PLANT HERE COULD LEAD TO LIMITED OFFICIAL USE

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SECOND THOUGHTS ON THE PART OF THE OTHER TWO GOVERNMENTS.

5. THIS IS THE STRONGEST PUBLIC EXPRESSION SO FAR OF GOS UNHAPPINESS WITH THE STATE OF ASEAN ECONOMIC COOPERATION. EVEN IN PRIVATE TALKS, GOS OFFICIALS HAVE UNTIL NOW LIMITED THEIR NEGATIVE COMMENTS ON THE SUMMIT TO A SORT OF WEARY ACCEPTANCE THAT ASEAN CANNOT BE BUILT IN A DAY.
HOLDRIDGE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, DIESEL ENGINES, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SINGAP03586
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770303-0692
Format: TEL
From: SINGAPORE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770837/aaaabeuw.tel
Line Count: 103
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4d63fa56-c288-dd11-92da-001cc4696bcc
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TAGS: ECIN, EINV, SN, ASEAN
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